

Empowerment or Repression? The World Bank and the Politics of African Adjustment*

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Résumé: *Cet article jette un regard critique sur le rapport de la Banque Mondiale publié en 1989 et intitulé "L'Afrique Sub-saharienne: De la crise à une croissance durable: "Etude de prospective à long terme". Pour l'auteur, l'objectif de la politique de la Banque Mondiale est de restructurer l'Etat africain de sorte qu'il puisse soutenir les stratégies à long terme de libération des forces du marché et des potentialités d'entrepreneuriat de la société africaine. Dans ce cadre, il est important de rendre la société civile plus puissante. La Banque Mondiale cherche à affaiblir la résistance populaire et nationaliste au programme d'ajustement structurel, créant ainsi un autre fondement de la légitimité politique. Les politiques du programme d'ajustement structurel par rapport à la légitimité politique de l'Etat sont remises en question.*

Introduction

This is a discussion of the political theory and practice of the market-oriented economic reforms, commonly known as "Structural Adjustment Programmes" (SAP), currently implemented by a wide range of African states, mostly with World Bank and IMF sponsorship.

The focus is on an authoritative report from the World Bank, *Sub-Saharan Africa: From Crisis to Sustainable Growth: A long-term Perspective Study* published in late 1989. It is a historic document; the first to address the political context of SAP. It signals a qualitative leap in foreign intervention in Africa as well as in the development of transnational state power. The political message is scattered throughout the bulky report, so I begin in part II by piecing together the argument, largely in its own words.

The World Bank is concerned with restructuring the African state in order to make it supportive of its long-term strategy for the liberation of the market forces and entrepreneurial potentials of African society. The report exposes the failure of the African state and explains it with reference to inappropriate notions of state-led modernization borrowed from Europe. There is the need to cut the African state down to size, thereby releasing the creative forces that have suffered under its oppressive deadweight. Civil society and especially the grassroots are to be empowered. But rolling back

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the state and empowering the people is not enough. Africa also needs good governance, rule of law and accountability.

In the third part, I discuss the Bank's message as an intervention in ongoing struggles in Africa, involving both ideological divisions (nationalism versus neo-liberalism) and conflicts of material interests and aspirations focused on the post-colonial state. The World Bank seeks to delegitimise nationalist and popular resistance to SAP and to construct an alternative basis for political legitimacy. It seeks to discredit the opposition, partly by pretending that it does not exist, partly by projecting it as narrow and selfish. The report appropriates some of its ideological armour, including slogans of self-reliance, cultural authenticity, and welfarism. As a strategy of political legitimation it is managerial and populist rather than democratic.

The fourth part situates the World Bank message in the context of the repressive political practices of SAP. I argue that SAP causes the accelerated erosion of the political capacity of the state. SAP faces critical problems of political legitimacy that threatens to block the reforms. I discuss this in terms of the "restructuring of incentives" promoted by SAP. I point to the central role of organized interest groups in opposing SAP and why these "narrow interests" have come to articulate wide popular aspirations. The legitimacy crisis of SAP is reinforced by its dependence on foreign support.

In conclusion, I question the democratic claims made on behalf of SAP and argues that it is resistance to SAP rather than SAP itself that offers a source for democratization. This may have some wider implications for an understanding of where democracy and good governance come from. I stress the critical role of organized interest groups in this process; the disciplining of the state from below; recognizing the balance of social forces and the role of "social contract" for state capacity. I end by reflecting on the alternative programme that is inherent in the resistance to SAP: the reconstruction of the post-colonial nationalist project on democratic lines.

Restructuring the Post-Colonial State

The World Bank Strategy for Africa

The World Bank¹ report is a major effort to assert World Bank leadership of the "development community", drawing up long-term strategies of economic reform in Sub-Saharan Africa. It is the outcome of extensive consultations with African researchers, private businessmen, public officials and a broad spectrum of the donor community. The ambition is high: "The

1 World Bank, *Sub-Saharan Africa From Crisis to Sustainable Growth. A Long-Term Perspective Study*, Washington: The World Bank, November 1989.

time has come to take up this challenge and to put in place a development strategy for the next generation².

The report asserts an "emerging consensus" as the foundation of "a global coalition for Africa" and joint action by donors, ensuring that assistance is strongly biased in favour of countries with "sound and sustained reform programs"³. The strategy is long term. Africa's economic problems are so deep-rooted that conventional stabilization programs are inadequate. The challenge is to go beyond stabilization and achieve "a genuine transformation of productive structures"⁴. African producers must become competitive in world markets. Africa must be transformed "from an expensive and difficult place to do business to an efficient one"⁵. Governments need to "go beyond the issues of public finance, monetary policy, prices, and markets to institutions, governance, the environment, population growth and distribution, and technology"⁶.

Any long-term strategy, however, depends, according to the Bank, on the success of SAPs. Two-thirds of African countries have embarked on some form of SAP. They are beginning to produce results, but only slowly. "In most instances the process has hardly begun". Too often the efforts have not been maintained. There has been "hesitation and procrastination" and repeated cycles of go-stop-go⁷. The most immediate problem is therefore to ensure the acceptance and consolidation of SAP.

The features highlighted in the report do not represent a new phase replacing SAP. They are policy considerations that should be added if SAP is to lead to "sustainable growth with equity". Some of the features, as population control, are long-standing priorities of the World Bank that are now integrated into the SAP framework. Others, like environment, reflect current concerns within the "development community". References to women participation are sprinkled through the text, adding to a concerned image.

Significantly new, however, and substantively integrated into the strategy is the focus on state failure, grassroots empowerment and good governance. These are the features to be discussed in this essay.

Please note that subsequent references to the World Bank are all to the November 1989 report, if not otherwise specified. It is a shorthand and does not suggest that I think that the bank is of one mind and voice, although the authoritative nature of the report is clear.

2 Ibid., p. 4.

3 Ibid., pp. 14, 185, 193.

4 Ibid., pp. 185-86.

5 Ibid., p. 189.

6 Ibid., p. 1.

7 Ibid., p. 189.

The Failure of the African State

"Underlying the litany of Africa's development problems", says the report, "is a crisis of governance"⁸. By governance it means the "exercise of political power to manage the nation's affairs". The failure of public institutions is "a root cause" of Africa's weak economic performance, asserts the World Bank President Barber Conable in his foreword⁹. Weak public sector management has resulted in loss-making public enterprises, poor investment choices, costly and unreliable infrastructure, price distortions, especially overvalued exchange rates, administered prices, and subsidized credit, and "hence inefficient resource allocation". The quality of government has deteriorated with "bureaucratic obstruction, pervasive rent seeking, weak judicial systems, and arbitrary decision making". Many governments are "wracked by corruption" and "unable to command the confidence of the population at large". Oppression and nepotism are widespread. Redtape and corruption impose heavy costs on the private sector, undercutting its international competitiveness. The break down of the judicial system scares off foreign investors who fear that contracts cannot be enforced¹⁰.

Political decline is exacerbated by development strategies that concentrate power and resources in government bureaucracies "without countervailing measures to ensure public accountability or political consensus". The neglect of due process has robbed institutions of their legitimacy and credibility. The proliferation of administrative regulations have "set the individual against the system". Authoritarian governments "hostile to grassroots and nongovernmental organizations" have alienated the public¹¹. State officials serve their own interests without fear of being called to account. Politics is personalized, and patronage is an essential means to maintain power. Leaders assume broad discretionary powers, losing in legitimacy. They control information and co-opt or disband voluntary associations. "At worst the state becomes coercive and arbitrary". Such an environment cannot readily support a "dynamic economy"¹². "A deep political malaise stymies action in most countries". People do not trust their leaders who they assume to be self-serving. In many countries, this is seen to be at the root of the crisis of governance. Governments fail to rally the people behind the reforms.

8 Ibid., p. 60.

9 Ibid., p. xii.

10 Ibid., pp. 3, 22, 30.

11 Ibid., pp. 3, 22, 30.

12 Ibid., pp. 61, 62, 192.

What went wrong? The World Bank report suggests that at independence, Africa inherited "simple but functioning administrations". But these were not geared to the development role assigned to them by African leaders. The state was enormously expanded. The staff was inexperienced, politicized and inefficient. The state was fragile and unable to cope with the "political stresses of rapid modernization and the unstable external environment of the 1970s and 1980s"¹³.

Rolling Back the State

What needs to be done? First of all there should be less state. The state must retreat into areas which it can handle well. The state should facilitate, not control. The deadweight imposed by the state on the private sector must be removed, releasing private initiative. The stigma must be removed from private profits and private entrepreneurship. The state should no longer be an entrepreneur but a promoter of private producers, including foreign private investors who should be welcomed as partners, not discouraged¹⁴.

If Africa wishes to remain competitive, says the Bank, it must abide by "the world wide trend towards privatization". Public services can often be provided more efficiently by private contractors. Inefficient public enterprises should be closed down or privatized. In some cases, the private sector may lack the capacity to take over right now "but in time and with imagination, privatization can work"¹⁵.

The deadweight of inappropriate and foreign, state-centred ideologies must be cast off. Much must be blamed, according to the Bank, on the ideologies of the first generation of African political leaders who believed that the government had to play the dominant role and who distrusted foreign business and the market mechanisms. The new states were poorly rooted in African society. They were "grafted onto traditional societies and were often alien to the indigenous cultures"¹⁶.

Moreover, these leaders believed that development meant achieving Northern standards of living. They had a vision "couched in the idiom of modernization - meaning the transfer of Northern values, institutions, and technology to the South". As a result they opted for "poorly adapted foreign models". Governments drew up "comprehensive five-year plans" and invested in "large, state-run core industries". Non Africans played an "overly dominant role" in elaborating these inappropriate strategies¹⁷.

13 Ibid., pp. 30-38.

14 Ibid., pp. 45, 55.

15 Ibid., p. 55.

16 Ibid., pp. 16, 38.

17 Ibid., pp. 16, 37.

Thinking was dominated by "the dichotomy between capitalist and socialist development models". By now, "many African governments have reappraised the role of the state". The World Bank holds up "the Nordic development paradigm" as an alternative development model where the state plays an important supportive role but where "the goods-producing and non-infrastructure service sectors are left to the flexibility and incentives of private enterprise and market discipline"¹⁸.

Empowering the People

Rolling back the state, however, is not just a matter of economic efficiency. It is also a strategy of liberating civil society from the deadweight of the state, of empowering the people. "A better balance is needed between government and the governed", says the World Bank President. A retreat of the state improves the balance - empowers the people. The retreat should go hand in hand with the fostering of grassroot organizations capable of promoting grassroot entrepreneurship. Development must be more bottom-up, less top-down¹⁹.

The aim should be to "empower ordinary people to take charge of their lives". They should participate in designing and implementing development programmes in order to "channel the energies of the population at large". By removing administrative restrictions and providing positive support, "the latent local capacity can readily be tapped". The objective should be to "release private energies and encourage initiatives at every level"²⁰.

Governments should listen more to their people. A more pluralistic institutional structure, including nongovernmental organizations and stronger local government should be fostered. At the grassroots level this means village and ward associations. "Such groups and communal actions can build on the African tradition of self-help". Also chiefs and other traditional leaders should be drawn upon. "A common mistake", says the report, "is to ignore local leadership, often on the grounds that it is exploitative". The Bank claims that there is little empirical evidence to support such view. "On the contrary, studies show that working with existing leaders produces more effective development programs". Not just grassroots, but also "intermediary" organizations as local nongovernmental and cooperative unions have an important role to play in the empowerment of the people. They create links both upward and downward in society and "voice local concerns more effectively than grassroots institutions", bringing "a broader spectrum of ideas and values to bear on policy making"²¹.

18 Ibid., p. 186-87.

19 Ibid., p. xii.

20 Ibid., pp. 1, 4, 55, 59.

21 Ibid., p. 59, 61.

*The challenge is to build on this solid indigenous base, with a bottom-up approach that places premium on listening to people and on genuinely empowering the intended beneficiaries of any development program*²².

"History suggests", says the report, that "political legitimacy and consensus are a precondition for sustainable development". It implies above all a "highly participatory approach" which involves ordinary people, "especially at the village level, in the decisions that directly affect their lives"²³.

Good Governance

Rolling back the state and empowering the people are not enough. Africa needs "not just less but better government". "Private sector initiative and market mechanisms are important but they must go hand-in-hand with good governance". It requires "a public service that is efficient, a judicial system that is reliable, and an administration that is accountable to its public". Unless governance in Africa improves, economic reforms will not go far, nor will much external aid be forthcoming. The state has "an indispensable role in creating a favourable economic environment". "Capacity building" needs to be pursued at every level of government, including reforming the civil service, installing effective economic management in the public sector, and strengthening local government²⁴.

SAP cannot work without a well-functioning state. The economic reforms are frustrated by lack of effective implementation. "The fundamental weakness in these programs is the lack of local capacity, both private and public, in their design and execution". They are often conceived by outsiders and not adequately internalized and do therefore not inspire commitment. The political environment must inspire the confidence of the private investors, local and foreign. Apart from providing "reliable and efficient infrastructure" the state must be able to establish "a predictable and honest administration of the regulatory framework, to assure law and order, and to foster a stable, objective, and transparent judicial system". Ultimately, good governance requires a concerted attack on corruption. Leaders must become more accountable to their peoples and funds must be seen to be properly administered. Corruption can be countered by eliminating unnecessary controls, reducing the scope for "rent seeking", by "transparent procurement

22 Ibid., p. 191.

23 Ibid., p. 60.

24 Ibid., p. xiii, 5, 15, 54-59.

procedures, scrupulous and prompt accounting, and the publication of audits". Those misusing public funds should be vigorously prosecuted²⁵.

Intermediary, nongovernmental organizations have an important role to play. They can exert pressure on public officials for better performance and greater accountability. Public debate should be encouraged. "A free and vigilant press - all too rare in Africa - is as important for good governance in Africa as elsewhere"²⁶.

The failure of the judicial system to "protect property and enforce contracts" has discouraged investment, foreign and local. The lack of a reliable legal framework has exacerbated uncertainty and unpredictability. "The rule of law needs to be established", including the independence of the judiciary and the "respect for the law and human rights at every level of government"²⁷.

What does the argument pieced together above mean as an intervention in the politics of structural adjustment? How can it be situated in relation to the contending forces of such politics?

Constructing Political Legitimacy

The Fictitious Consensus

The World Bank claims that its proposed strategy represents a growing consensus: "Fortunately disagreements in practice are few". It suggests that whatever differences existed in the past (they are not specified) have greatly narrowed during the 1980s. "Whatever the political vantage point, there is a broad understanding". The remaining problems are essentially "technical" which "professionals will continue to debate" without in no way diminishing the "broad consensus on objectives"²⁸.

Who is included in this consensus? The focus of the argument shifts between the "development community" and the affected societies. There is a particular concern to mobilize a united front of "donors" behind SAP, ensuring that countries who show good behaviour are rewarded and those who don't are punished.

To achieve this united front, particular effort is devoted to prevent the desertion from the hard-line by such donors that have a past record of being "soft" on the state/market divide. The surprising propagation of the "Nordic development model"²⁹ may therefore be taken as an ideological bane, not so much for impoverished, non-industrial African nations, as for such

25 Ibid., pp. 6, 15, 55, 61-62, 192.

26 Ibid., pp. 6, 61.

27 Ibid., pp. 9, 30, 192.

28 Ibid., p. 185.

29 Ibid. pp. 186-87.

soft-hearted donors, being thus reassured that they trail behind the Bank on a respectable track

Who on the African side is covered by this consensus? The controversies surrounding SAP are neither acknowledged nor addressed. The report avoids entering into any direct argument with opposing views such as those expressed in the Lagos Plan of Action³⁰, the Abuja and Khartoum Declarations³¹; and the UN Economic Commission for Africa's *Alternative Framework for SAP*³². With little justification, the report even claims that it tries to "reflect the evolution" of the views embodied in these documents. It appropriates for its own purposes some of the ideological planks of the opposition, such as "respect for African values" and "self-reliance"³³.

The consensus that the World Bank seeks to conjure is fictitious. It dodges the core conflict between its own neo-liberalism and the nationalist and structuralist concerns of the critics, especially at the African end. The assertion of a growing consensus serves to isolate and belittle the opposition to SAP. Far from being insignificant, this opposition is wide-spread and keeps on causing obstruction. It is responsible for much of the "hesitation and procrastination" over which the report complains³⁴. Indirectly, this is also recognized when the Report speaks of the failure to "internalize" SAP, the failure to overcome "political malaise", and the difficulties of achieving a consensus locally because of "vested interests" and hostile "intellectual and ideological positions"³⁵.

The World Bank report is an ideological intervention. The Bank is the principal contender, challenging on a neoliberal platform, the state-led, nationalist development ideology that, in the view of the Bank, has distorted development thinking in Africa since independence. It intervenes in conflicts between social groups with different stakes in the reforms and the changing structure of incentives and class relations that they generate. It seeks to shift the balance of forces in favour of political coalitions, nationally and internationally, that are capable of sustaining SAP.

30 OAU, 1980, Organization for African Unity, Lagos Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa, Addis Ababa.

31 ECA 1987, UN Economic Commission for Africa, The Abuja Statement: The Challenge of Economic Recovery and Accelerated Development. Abuja.

ECA, 1988, The Khartoum Declaration: Towards a Human-Focused Approach to Socio-Economic Recovery and Development in Africa. In *ECA Annual Report*. New York: UN.

32 ECA, 1989, African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation. Addis Ababa.

33 Ibid., p. 2.

34 Ibid., p. 189.

35 Ibid., pp. 62, 192-93.

By extending the time-perspective, looking "beyond SAP", the Bank side-tracks the controversies surrounding the current practice and impact of SAP. It allows for the painting of an attractive future scenario of "growth with equity", including a vision of increases in public welfare expenditure, in stark contrast to the social inequities and cuts currently protested by the opposition. The picture of a consensus, where disagreements are minor and technical, and where the real challenges lies "beyond", is a confidence trick. It conceals the ideological role of the report in enforcing SAP in the face of intellectual and popular resistance.

The political crisis of the African state is also the crisis of SAP. This explains why the World Bank sees itself obliged to enter the deep waters of political theory. The poor capacity of the African state to handle resistance to SAP casts serious doubts on the political feasibility of the reforms. The Bank seeks to boost this capacity, not by addressing the objections of the opposition, but by seeking to undercut its political and ideological legitimacy. Simultaneously, it seeks to construct new forms of popular legitimation under the banner of "empowerment".

Delegitimising Nationalism

Nationalism is the potentially most dangerous ideological and social force confronting SAP. It draws on the history of resistance to foreign political domination, cultural humiliation, and economic exploitation. Anti-colonialism and anti-imperialism has demonstrated its capacity in the past to generate cross-class alliances, uniting members of an aspiring bourgeoisie, patriotic professionals, technocrats, intellectuals and workers committed to radical strategies for national emancipation. Such alliances have been capable of arousing broad popular support.

From a nationalist perspective, SAP is a foreign imposition. The "conditionalities" linked to the foreign finance that goes with SAP are the hallmark of rising neo-colonialist domination. The liberalization of foreign trade and foreign exchange regimes deprives the state of the means of directing scarce resources to areas of priority for national development. It is seen as a capitulation to a world market that works in favour of the strong and at the expense of the weak. There is little trust in nationalist quarters in the notion of "comparative advantage". The withdrawal of state support for a fledgling industrial sector, state or private, means abandoning the effort to lay a foundation for an alternative to the colonial and neo-colonial division of labour.

The World Bank tries to turn the table on the nationalists by questioning their national credentials, suggesting that they merely are the mouthpiece of foreign and inappropriate ideas of modernization and socialism, uncritically borrowed from outside and often implanted by foreigners. They portray the

post-colonial state project as poorly rooted in African society, indigenous culture, and traditional leadership³⁶.

In its attempt to discredit economic nationalism, the Bank brandishes a stereotype of post-colonial development that exaggerates the foreign and "socialist" features. It claims that governments drew up "comprehensive five-year plans" and invested in "large, state-run core industries"³⁷. This is misleading. Most industrial investments were in simple import substitution, often in crude assembling, very little in "core-industries". Few plans were "comprehensive" and few had any major role as steering instruments.

The Bank tries to discredit the large state sector by depicting it as the child of socialist ideology, hostile to private capital and foreign capital in particular. This again is misleading. The state sector has been large also in the majority of African countries that have had a predominantly capitalist orientation. Foreign capital, having other reasons for avoiding risks in small African countries, have often favoured joint ventures with the state and management agreements. State companies have played a strategic role as patrons for an aspiring indigenous bourgeoisie. Marketing boards, for instance, have been valuable source of finance and monopolistic protection for a local merchant class.

In projecting a stereotyped image of the ideological illegitimacy of the post-colonial state, also confessing to a collective guilt on the side of the "development community" for having been uncritically supportive of the developments leading to failure, the Bank obscures the long-standing involvement of that "community" in struggles over ideology and strategy in Africa and the third world in general. The Bank, for instance, has been deeply engaged in projecting the success story of Ivorian capitalism, with its strong state involvement in promoting world market oriented expansion. It has sponsored a wide range of state development finance companies, acting as "trustees" for an emerging capitalist class, such as the NNDC and the NIDB in Nigeria.

With the world wide and local shift in the balance of forces in favour of capitalism, nationalism, not socialism is the principal enemy to the global market project of the World Bank. The "failure of socialism", however, is useful as a means of delegitimising nationalism.

Delegitimising "Vested Interests"

While nationalism is the principal ideological force confronting SAP, wage earners make up the most coherent and potentially disruptive social group in the opposition block. They are acutely affected by the "restructuring of

36 World Bank 1989, op. cit. pp. 37, 38, 60, 61.

37 Ibid, p. 16.

incentives" enforced by SAP, including cuts in public sector employment, the fall in domestic industrial production, removal of price and rent controls and subsidies, and the rise in the cost of imports. While the fall in real wages predated SAP, the reforms have offered more of the same, along with accelerated retrenchment. Wage earners are those most affected by public service cuts and increases in fees as they are those who depend most on access to public transport, education, health, electricity and water supply, in the reproduction of their everyday existence.

The deflation of the wage-earning economy reinforced by SAP has also hit hard at sectors of the economy directly or indirectly dependent on wage-earners' income, including a large petty commodity and petty service producing sector. The urban informal sector is particularly badly hit because of its greater dependence on imports, both for consumption and trade. But also rural producers, both agricultural and non-agricultural, have faced a drop in the demand for their goods and services, except in some pockets where export production has faced favourable world market conjunctures.

Again, it may be argued that much of this deflation of purchasing power and markets predated SAP and that further deflation was inevitable because societies were "living beyond their means". While this may be true, the hardship experienced by those affected are bound to have serious political repercussions, threatening the implementation of SAP. The need for reform does not settle the issue of its direction and design. Nor is it obvious who was actually living beyond whose means.

The World Bank report offers future relief from current hardship. But the report also attempts to undercut the significance and legitimacy of the resistance to SAP. It conveys a picture where, on the one hand, every one - almost - is to gain from SAP, while on the other hand, those who don't, apart from being few, are portrayed as having illegitimate claims. In the world view of the World Bank, "the individual" is pitted against "the system"³⁸. The individual is bound to gain from the reforming of an oppressive, inefficient, and corrupt system.

Resistance is portrayed as emanating from narrow, self-seeking elements, "the vested interests that profit from the present distorted incentives and controls"³⁹. "The vast majority" of the population working in agriculture and the informal sector will enjoy "a significant increase in income and consumption". The squeeze would mainly affect the consumption of "the top 5% belonging to the formal modern sector" and the recipients of "rents", that is, those with illicit earnings from public office⁴⁰.

38 Ibid., p. 22.

39 Ibid., p. 192.

40 Ibid., p. 46.

The report lumps together corrupt officials and the mass of wage earners as the illicit beneficiaries of the old, distorted order. It is not clear what is "top" about the employees in the formal sector, especially after decades of decline in real earnings and with a majority unable to provide basic sustenance for their families from their wages. The reference is clearly not to the top earners within the formal sector. On the contrary, the Bank argues that incomes at the top must be raised in order to secure adequate incentives, while at the bottom wages should be allowed to find their true market level.

Mass redundancies and a continued decline in real wages are principal grievances, allowing the opposition to SAP to rally on a platform of social justice and equity. Even here the Bank tries to turn the table on the opposition, drawing on standard neo-liberal arguments. The most equitable policies, according to the Bank, are those that foster enterprise development because that will spur job creation which is in the interest of all. Minimum wage legislation and "other restrictive labour regulations" that prop up wage levels therefore stand in the way of equitable development because they discourage the expansion of employment⁴¹. Central to the World Bank argument is the linking of two perceived divisions, that between state and civil society, on the one hand, and the one between wage and non-wage economies on the other. The wage economy is treated largely as an adjunct to a parasitic state sector, while true civil society seems to flourish primarily in the non-wage economy. Pitting the one against the other is problematic because of the actual integration of the wage and non-wage economies, at the level of the individual producer, the household, the extended family, and the community. From the point of view of securing political legitimacy of SAP, it becomes particularly problematic that the best organized and most articulate elements of actual civil society tend to be found in the wage sector, in the trade unions and professional associations and in urban based community organizations with a strong wage-earner component. Moreover, wage earners and professionals, such as teachers, midwives, and students, although a tiny minority, also play an important role in community politics in rural areas.

Empowerment as Legitimation

In the face of nationalist and popular resistance, the theoreticians of SAP - along side the attempt to delegitimise resistance - seek to establish an alternative basis of popular legitimacy. The notion of grassroots empowerment seems central to this exercise.

On the one hand, empowerment is seen as the liberation from an excessively interventionist state: the creative force of the grassroots will be

41 Ibid, p. 191.

set free. On the other hand, it stands for participation and mobilization; the active involvement of local communities in development projects. The two aspects shade off into each other. It is not clear when "empowering ordinary people to take charge of their own lives" merely stands for the freedom of local entrepreneurs and when it involves participation in some institutionalized collective decision-making.

Concepts like participation and mobilization are ambiguous. They have a political-democratic as well as managerial side. The latter dominates the World Bank report. The emphasis is on "releasing" and "tapping" local energies and capacities. The concern is less with popular power, in a political sense, than with ensuring that development programmes are better attuned to local demands. Agricultural extension officers, for instance, should be responsive to the farmers' needs; they should listen, not command⁴². The primary concern is with development, not with democracy. Empowerment is encouraged because it is good for development. It is revealing that when the report counters allegations that local (traditional) leaders are exploitative, they end up claiming that they are efficient to work with⁴³. Empowerment is for the prospective beneficiaries of development in order to ensure that projects are well rooted in local society⁴⁴. This has been a long-standing managerial concern within the "donor community". Such empowerment does not address the scope for resisting state policies by those who see themselves as losers rather than beneficiaries.

Without addressing the link to state power, empowerment is primarily a means of securing local support and cooperation. In the face of popular resistance, however, empowerment also becomes a means of claiming popular legitimacy. But empowerment is for those who implement SAP, not for those who oppose it. It is a managerial populism that fits well with the populist political practices of the regimes implementing SAP.

World Bank style empowerment is poor compensation for the lack of popular political support for SAP. It may even help in justifying repression - in the name of the empowered grassroots - against the "vested interests" that resist SAP.

Adjustment with a Democratic Face?

"Empowerment" may be a poor substitute for democracy. But the World Bank claims also to be in favour of an open debate, human rights, the rule of law, and accountability. Does it not suggest that it takes democracy

42 *Ibid.*, pp. 4-5.

43 *Ibid.*, p. 31.

44 *Ibid.*, p. 191.

seriously? Does it herald the coming of a new phase of SAP - "Adjustment With a Democratic Face"?

The Bank responds, just as it has done in the case of the "Human Face" debate, to criticisms against SAP for being associated with repressive political practices, the suppression of opposition, and public argument⁴⁵. Such criticisms become increasingly embarrassing the more successful the Bank is in tightening its grip over policy by rallying the international development and financial communities behind SAP. The more responsibility the Bank appropriates for overall state policies, the more exposed it becomes to criticisms of the repressive political framework within which these policies are pursued.

Even so, the World Bank's venture into political liberalism is steeped in a managerial and developmentalist mould. It criticizes policy makers for being "reluctant to allow open discussion of economic policy issues". It argues that a "broad and vigorous debate" is vital if options are to be understood and consensus achieved⁴⁶. The context is that of enlightened management rather than democratic politics. It suggests consultation, not contestation.

Allowing policy to be publicly debated does not make an authoritarian regime more democratic. In its account of Nigeria's "lessons of adjustment", the World Bank report claims that "after intensive public debate" the government adopted a programme to liberalize the economy. What it does not mention is that the debate was predominantly hostile to the programme that was adopted. A proposed loan from the IMF was rejected because it was, correctly, suspected to be tied to such a programme. But "public opinion" was crudely cheated. The government, while abstaining from the IMF loan, went ahead with the substance of the programme, now with World Bank funding⁴⁷.

The Bank's commitment to the virtue of "vigorous public debate" is not convincing. The tactics displayed in the report shows little evidence of such a commitment, with its fictitious consensus mongering, dodging real issues of division, reducing major political divisions to technical ones, and ignoring or delegitimising opposition to its policies. Are other aspects of the Bank's

45 Bangura, Y., 1986, "Structural Adjustment and the Political Question". *Review of African Political Economy*, 37;

Bangura Y. and Beckman, B., 1991, "African Workers and Structural Adjustment. With a Nigerian Case Study". In Dharam Ghai (ed.), *Social Impact of Crisis and Adjustment Experiences from Africa and Latin America*. London: Zed.

46 World Bank, 1989, *op.cit.*, p. 193.

47 Olukoshi A., 1989, "Impact of the IMF-World Bank Programme on Nigeria". In Bade Onimode (ed), *The IMF, the World Bank and the African Debt. The Economic Impact*. London: IFAA and Zed.

political liberalism more credible? "Scrupulous respect" for human rights is mentioned as something to be desired but without consequence for the argument. The report is more substantial when it comes to the rule of law. The perspective that dominates, however, is that of the private investor, especially the foreign one. Without the rule of law, business confidence in general and the sanctity of contract in particular cannot be upheld.

Is not the plea for accountability a plea for democracy? The suggestion that "leaders must become more accountable to their peoples"⁴⁸ is sufficiently modest to be acceptable by any president-for-life. On one occasion the report links accountability with representative government: public auditors should be responsible to a representative legislature⁴⁹. This is the closest the report comes to a democratic argument, yet modest enough to accommodate one-party assemblies and representation by appointment. Generally, accountability is treated more as a managerial problem, not a democratic one.

Good governance, says the Bank requires enlightened leadership that makes a "systematic effort to build a pluralistic institutional structure", that is determined to respect the rule of law and to protect the freedom of the press and human rights⁵⁰. Fine! How come that the politics of SAP is so repressive? Where does good governance and democracy come from?

Resistance and Repression

The Erosion of Political Capacity

The effort to construct political legitimacy must be seen in relation to the weakness of the political arrangement meant to secure the implementation of SAP and the political practices by which it is accompanied. Those practices, say the critics, are authoritarian and repressive, not liberal. In Ghana, a show-case of adjustment, early openings in democratic directions were stifled in the interest of authoritarian control as SAP gathered momentum⁵¹. In Senegal, the authoritarian features of one-party dominance were

48 World Bank, 1989, *op.cit.*, p. 15.

49 *Ibid.*, p. 192.

50 *Ibid.*, p. 61.

51 Hansen, E., 1987, "The State and popular struggle in Ghana, 1982-86". In Anyang' Nyong'o (ed), *Popular Struggles for Democracy in Africa*. London and New Jersey: Zed and UNU;

Kraus, J., 1989, "The impact of Ghana's stabilization and structural adjustment programs upon workers and trade unions". Draft Paper to African Studies Association, Atlanta;

Akwetey, E., 1990, *State, Unions and Structural Adjustment: A Comparative Study of Ghana, Tanzania, and Zambia*, Project Proposal submitted to SAREC. Stockholm: Department of Political Science.

reasserted in the face of the political tensions precipitated by economic reform⁵². Zambia illustrates the vacillations and repressive reflexes of a regime under cross-pressure from domestic opposition to SAP and international financial and aid agencies⁵³.

In Nigeria, adjustment is accompanied by widespread opposition. Regime strategies show a mix of repression and concessions, including efforts to co-opt oppositional forces into the ruling block. SAP has been banned from the agenda of public debate. Only those groups who have declared their support for SAP have been allowed to participate in the process of transition to civilian rule⁵⁴.

These are scattered evidence that need further empirical investigation⁵⁵. A *prima-facie* case, however, can be made that SAP breeds repression. It seems as if adjusting states lack the political capacity to implement SAP in the face of heavy opposition without recourse to repression. The deepening economic crisis has undermined steering ability. The "restructuring of incentives" brought about by SAP makes it difficult to sustain the political coalitions underpinning the state; SAP drives wedges into pre-existing alliances; it undercuts the structures of interest mediation previously managed by the state; it obstructs ideological legitimation. External conditionalities contribute to the accelerated erosion of political capacity. Repression "compensates" for the "capacity gap".

By political capacity, I mean ability to construct and maintain a working political coalition capable of sustaining the implementation of state policy. It includes capacity to exercise control over the state apparatuses (not just presiding over them); to maintain an upper hand at the level of ideological contestation ("legitimacy"); to secure the necessary minimum of cooperation (non-obstruction) from autonomous centers of power in society; and - in particular - capacity to contain opposition within bounds compatible with state policy.

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- 52 Bathilly, A., "Political development in Senegal". *Journal of African Marxists*, 11; Diouf, M. and M. C. Diop 1989, "La revanche des élèves et étudiants sur l'état et la société civile 1978-1988". Paper to AKUT (1989) Conference, Uppsala.
- 53 Akwetey, E., 1990, *op.cit.*
- 54 Bangura, Y., 1986, *op.cit.*; 1989, "Crisis, Adjustment and Politic in Nigeria" Outline of a Research Programme. AKUT 38. Uppsala; Ibrahim, J., 1989, "The state, accumulation and democratic forces in Nigeria". Paper to AKUT Conference "When Does Democracy Make Sense? Political Economy and Political Rights in the Third World with European Comparison". Uppsala, October; Mustapha, A. R., 1988, "Ever decreasing circles: Democratic rights in Nigeria, 1978-1988". Paper for CODESRIA Project on Nigeria. Oxford: St Peter's College.
- 55 Beckman, B., 1990, Structural Adjustment and Democracy: Interest Group Resistance to Structural Adjustment and the Development of the Democracy Movement in Africa. Research proposal submitted to SAREC. Stockholm: Department of Political Science.

The erosion of political capacity did not begin with SAP. It has a long pre-history, specific to each country⁵⁶. It is closely related to the ability of the state to deliver goods, services, and other values to constituencies of relevance to its power base. It is affected by shifting world market conjunctures for primary exports. Inability to reduce state expenditure in the face of declining earnings compounds the crisis of the export base, loading it with overheads which it is unable to support. Even in cases where export earnings are maintained, public economies run into crises of reproduction, with a declining ability to meet demands placed on the state. Foreign and domestic borrowing sustain state spending temporarily, but inflationary deficit financing creates new demands and tensions.

The pattern of cumulative fiscal crisis is well known. For our purposes, it suffices to point to the outcome: a general decline in the ability of the state to sustain a pattern of public spending that historically had provided the backbone of its identity and political capacity.

The decline accelerated during the late 1970s and 1980s. It opened up for foreign policy intervention on an unprecedented scale with indebtedness and aid as stick and carrot. The World Bank speaks of a "free fall", a process gone out of control⁵⁷. The choice of metaphor seeks to justify the drastic intervention. It delegitimizes the domestic policy process and rules out alternatives. Either you grab the life line thrown to you or you stand condemned for having allowed the nation to continue the free fall into the abyss.

The Restructuring of Incentives

The economic crisis that precedes SAP is accompanied by sharp political tensions. Inflation eats into real wages, shortages multiply, employment opportunities dry up, public services decay. The political demands that dominate public agitation before the introduction of SAP focus on the restoration of real incomes, the expansion of employment, the resuscitation of public services and better access at reasonable prices to imported consumer goods. Consumers agitate for price controls and producers, including farmers, manufacturers, transport owners, press for special allocations and state subsidies for imported inputs.

56 Sandbrook, R., 1985, *The Politics of Africa's Economic Stagnation*. Cambridge: CUP, Dutkiewicz, P., and Williams, G., 1987, "All the king's horses and all the king's men couldn't put Humpty Dumpty together again". *IDS Bulletin* 18:3; Beckman, B., 1988a, "The post-colonial state: Crisis and reconstruction". *IDS Bulletin* 19:4. Also in Edinburgh, Center of African Studies, *African Futures: 25th Anniversary Conference*.

57 Jaycox, K., 1990, Public Lecture by the World Bank Vice President for Africa. SIDA's U-Forum. Stockholm, 18 April. Author's (BB's) own notes.

Very little of this is offered by SAP. In the contrary, the logic of SAP is to deflate the wage and public service economy. It is to be reduced to levels considered compatible with existing resources. It seeks to remove the inflationary impact of public sector deficits. But even more importantly, it seeks to bring about a "systemic change", a shift in incentives away from a presumably inefficient and low productive wage and public sector to the benefit of a more efficient and productive private sector.

Trade liberalization and devaluation brings back imported goods on the shelves but at even less affordable prices. This too is deliberate. The aim is to improve the competitiveness of the local economy in the world market. Devaluation makes imports more expensive and exports more competitive. The deflation of the wage and public service sectors helps by cutting social overheads and allowing wages to find their "true market levels". If it works, SAP is supposed to bring expanded exports and employment, especially in the informal economy, and in the long run, both an improved fiscal basis for the state and higher income for everybody. In the meantime, however, it has little to offer to the constituencies that have historically developed in relation to the post-colonial state. It is pointless to speak of the just "vested interests", suggesting that those constituencies are primarily made up of former beneficiaries. It is not merely a question who got what out of the state in the past, but a whole pattern of expectations focused on the state. This pattern is shaped by those who feel discriminated against and hope to benefit as much as by those who actually do.

Expectations on the state as a source of income, employment, and welfare is not specific to wage-earners and urban dwellers. Rural communities may feel that they have got less out of the state in the past but this does not turn them into a constituency for "rolling back the state" and "empowerment". They want more of the state, not less. More roads, schools, health stations, pumps, jobs, contracts, cheap seeds, fertilizers, etc. "Modernization" to them is not a fanciful "Western" idea, inappropriately "borrowed" by misguided nationalists. It represents deeply entrenched popular expectations.

Such expectations are concretized in specific demands and community agenda. However, misplaced some of the priorities may seem, there is no doubt about the popular commitment that goes into the Modernization of a "home area", as defined within the shifting parameters of communal competition. Communities value "representatives" as far as they voice such demands and "deliver" when in office. This is the stuff that politics is made of. Ruling groups reproduce themselves in power through complex coalitions and alliances in response to such community agendas; more or less manipulative and divisive, more or less committed to popular welfare. Contenders, in their turn, mobilize alternative coalitions and seek to disrupt existing ones.

SAP affects the capacity of ruling groups to sustain existing patronage relations and respond to and manipulate sectional claims. This may be partly compensated for by special programmes "to sweeten the bitter pill". Such "alleviation" measures, however, do not remove the conflict between neo-liberal strategy and popular conceptions of what the state is for. The logic of SAP is to further weaken the motivation of the state to respond to the popular demands that have been built into the process of post-colonial state formation. SAP is disruptive of the political coalitions and alliances which have been constructed in the course of that process. This is not primarily a question of an urban based/biased coalition losing out in favour of a rural/agrarian one. While SAP in some cases shifts income differentials between certain urban and rural producers in favour of the latter, all popular expectations on the state, urban and rural, are frustrated by SAP. Although the purchasing power of some urban groups may fall more rapidly than that of some rural ones, both are upset by the declining ability of the state to deliver what is expected from it.

Interest Groups and the "Silent Majority"

The problem is compounded by the cracking up of the structures of domination erected by the post-colonial state in relation to organized interest groups in society. Trade unions and professional associations cause particular problems to SAP in this respect⁵⁸. They have the "vested interests" in the public sector economy, both as producers and consumers. But they also have an organized base from which to challenge SAP.

African governments have in the past shown varying degrees of success in their efforts to subdue and control such organized interest, by restrictive legislation and by co-opting, buying-off or imposing leaders. Such statist-corporatist arrangements come under severe strain under SAP. The capacity of co-opted leaders to mediate the relation between the state and their member constituencies deteriorates. They face a dilemma of either distancing themselves from SAP or losing whatever may remain of credibility in the eyes of the members. They are increasingly unable to constrain the rising forces of unrest from below.

Professional groups, like lawyers, doctors and university lecturers, have traditionally steered cautiously close to state power. They too face a combination of external and internal pressures pushing them into resisting SAP. The crises in their domains of operation, for instance the disintegration of hospitals and schools, combine with the impoverishment and declassification

58 Beckman, B., 1990.; Bangura, Y., and Beckman, 1991, *op.cit.*

of their members (cf. Nigeria's "lumpen lawyers") in precipitating confrontation with the state⁵⁹.

Interest group opposition is regarded as particularly illegitimate by the advocates of SAP. It is seen as coming from a small, privileged minority, pursuing narrow self-interests at the expense of the mass of the people, the poor, the underprivileged, the unorganized, the "silent majority". Interest groups are accused of taking undue advantage of being better placed, more organized, more articulate. Governments therefore feel justified in applying repressive policies against such organizations. In doing so, they draw support from neo-liberal theories as well as from populist positions about "labour aristocracies"⁶⁰ and "urban bias"⁶¹.

Interest groups are "self-seeking", but in defending their interests they also tend to see themselves as guardians on the public institutions and the national developmental and welfarist aspirations of the post-colonial state. In that sense, they become a mouthpiece not just for their own corporate interests but for broad popular concerns about the state and future of social services and public development projects. This is what happened, for instance, when Nigerian doctors went on strike in protesting the terrible conditions in the nations hospitals which had been starved of essential inputs. They received wide public sympathy, even if they also had their own "conditions of service" in mind⁶².

Moreover, interest groups are obliged to enter into wider alliances in order to fend off attempts by the state to isolate, control and repress them. Governments and their backers underestimate the capacity of interest groups to offer both leadership and backbone to wider popular movements against the state. It is because of this capacity, not merely because they defend the interests of an entrenched and privileged minority, that interest groups are in a position to obstruct SAP.

Legitimacy and Foreign Intervention

The crisis of political capacity is also a crisis of ideological hegemony, of legitimacy. SAP hits at those social forces who have developed the most advanced national consciousness and identity and whose fate is most closely

59 Jega, A.M., 1991, "Professional Associations and SAP in Nigeria". In A. Olukoshi (ed). *The Politics of Structural Adjustment in Nigeria*. London: James Currey. Forthcoming.

60 Waterman, P., 1983, *Aristocrats and Plebeians in African Trade Unions? Lagos Port and Dock Worker Organization and Struggle*. The Hague: The Author.

61 Bates, R., 1981, *Markets and States in Tropical Africa, The Political Basis of Agricultural Policies*. Berkeley: UCP;

Bienefeld, M., 1986, "Analyzing the politics of African state policy. Some thoughts on Robert Bates' work". *IDS Bulletin* 17:1;

Bangura and Beckman, 1991, *op.cit.*

62 Jega, A. M., 1991, *op.cit.*

linked to the nationalist project. The national and welfare values that are central to the ideological legitimation of the post-colonial state are now most credibly defended by the anti-SAP forces.

The crisis of legitimacy is exacerbated by externally determined conditionalities and foreign funding⁶³. Foreign intervention is open, explicit, and humiliating. The general mood of the "development community" is brazenly interventionist. There is "disappointment" and "loss of confidence" in African political leadership, contributing to a decline in respect for national autonomy. Donors and bankers feel free to justify intervention with reference to their own notions of desirable development, rather than the development objectives of national governments⁶⁴. They see themselves as trustees for the "common man", the "silent majority".

Foreign paternalism reinforces the authoritarian logic of SAP. Regimes are urged to show courage and commitment in face of local obstruction. Steadfastness is applauded and rewarded. At critical points, funds are rushed in to prop up faltering regimes and provide additional funding for "alleviation" measures. An illustration: in 1986, while deliberating over a loan to Nigeria, the World Bank Board was cautioned by the Nordic Executive Director that quick disbursement would reduce the Bank's "leverage" vis-a-vis the Nigerian government. The Senior Vice President Stern, however, urged the Board not to hesitate because experience had shown that many governments were "put out of action" if "radical and political sensitive reforms" were not swiftly supported⁶⁵. The changing mood of the development community mirrors the erosion of state legitimacy that has taken place within African countries. But it is also a deliberate strategy to encourage this process of delegitimation in order to weaken institutional resistance to SAP. The post-colonial state is declared redundant or irrelevant⁶⁶. Moreover, there is in addition the unintended delegitimation that comes with foreign intervention. The state institutions on which the international reformers depend for access and implementation are

63 Mkandawire, T., 1991, "Crisis and Adjustment in Sub-Saharan Africa". In Dharam Ghai (ed). *The IMF and the South, Social Impact of Crisis and Adjustment*. London: Zed.

64 Beckman, B., 1988c, *Bistand och Demokrati: En kritik av den nya interventionismen (Aid and Democracy: A critique of the new interventionism)*. DebauSida 2/88. Stockholm SIDA.

65 Nordic Office, 1986, Nordisk Meddelelse 86/325, Nordisk Kontor, World Bank, Washington. Telex to SIDA, Stockholm, 17 October.

66 Hyden, G., 1988, "State and Nation under Stress". In Swedish Ministry of Foreign Affairs, *Recovery in Africa: A Challenge for Development Cooperation in the 90s*. Stockholm: The Ministry;

Beckman, B., 1988b, "Comments on Göran Hyden's State and Nation under Stress". In Swedish Ministry of Foreign Affairs, *Recovery in Africa: A Challenge for Development Cooperation in the 90s*. Stockholm: The Ministry.

undermined. The political crisis of the post-colonial state is simultaneously the political crisis of SAP.

Conclusions: Democracy and Social Contract

Empowerment for Some, Repression for Others

African leaders are advised by the World Bank to be tolerant and strive towards consensus and free debate. They should be accountable to their peoples and respect the rule of law and human rights. The liberal political message contrasts with the illiberal political practices of SAP. The imposition of SAP enhances political repression. The interventions of the "development community" reinforce rather than alleviate that tendency.

How can the liberal message of the Bank be situated in relation to these illiberal practices? First, the political liberalism of the message should not be exaggerated. A managerial perspective dominates. Empowerment has more to do with releasing the presumably dormant and repressed entrepreneurial talents and energies of "civil society" than with democratization. Similarly, accountability and the rule of law are related more to the development of an enabling environment for private investment than to the establishment of a democratic political order. While the managerial perspective dominates, the Bank simultaneously attempts to construct political legitimacy for SAP on a pluralist platform. The Bank responds to the erosion of the political capacity of the state which obstructs the implementation of SAP. SAP reinforces this process by further alienating the welfarist and nationalist aspirations that are attached to the post-colonial state.

The World Bank intervenes in an ongoing conflict within African society over strategy and state power. The Bank itself is one of the principal protagonists. It is partly a struggle of ideology, with neo-liberalism and nationalism as the main contenders. It is also a conflict of concrete social forces on the basis of their positions in the political economy and how they are affected by crisis and adjustment. The empowerment of the new order is juxtaposed to the "vested interests" of the old. The Bank seeks to undermine the legitimacy of the opposition by belittling, discrediting, and ignoring it. The "vested interests" are pitted against the "common man"; urban privilege against rural poverty. The dichotomies distort and obscure the nature of the social and political conflicts precipitated by SAP. In the new order of legitimacy, chambers of commerce and industry figure prominently while trade unions are conspicuously absent. Empowerment is for those who support SAP, not for those who oppose it.

Central to the legitimization exercise is the construction of a fictitious consensus encompassing the international "development community" and all except a small illegitimate minority within Africa itself. There is no recognition of contending forces. The liberalism of the Bank has no place for politics and contestation. It comes close when it speaks of the

importance of "countervailing power", the absence of which explains, according to the Bank, why "state officials in many countries have served their own interests without fear of being called to account"⁶⁷.

The "countervailing powers" envisaged by the Bank, however, are all part of its managerial world of consensus and policy-making. It recognizes "intermediary organizations" because they create links "upward and downward" and bring "a broader spectrum of ideas and values to bear on policymaking". Professional associations of bankers, doctors, lawyers, accountants are useful because they are means of releasing "private energies and encouraging initiative at every level"⁶⁸. It advises the state to engage in "systematic consultation with organized interest groups such as chambers of commerce and industry" in order to enhance accountability and responsiveness⁶⁹. The non-recognition of divisions and contestation serves to conceal the partisanship of the Bank. The effort to assert ideological hegemony is part of the repressive political logic of SAP.

Where Does Democracy Come From?

The pluralism of empowerment stops short of democracy and is compatible with the current repressive political practices of SAP. The democratic claims on behalf of SAP, however, just as the claims to welfare, lie primarily in the future, beyond the current phase. A four volume study on democracy in the Third World sponsored by the US National Endowment for Democracy argues that "statism must be rolled back" if democracy is to have a chance: "the increasing movement away from statist economic policies and structures is among the most significant boosts to the democratic prospect in Africa"⁷⁰. The vision is of a civil society that once liberated from an oppressive state, gives life gradually to the actors and institutions that ultimately will make the state accountable to the people. An enabling environment for entrepreneurs and market forces is therefore simultaneously enabling the future agents of democracy⁷¹.

It is an attractive vision, especially if one is convinced about the virtue of the liberal economic reforms. In this case, democracy comes in the bargain; as a bonus. It is also attractive for those who are all in favour of democracy, in principle, but who may feel that Africa is not yet quite ripe

67 World Bank, 1989, p. 60-61, *op.cit.*

68 *Ibid.* p. 59-61.

69 *Ibid.*, p. 5.

70 Diamond, L.; Linz, J.J. and Lipset, S.M. 1988, *Democracy in Developing Countries. Vol II: Africa*. Boulder & London: Lynne Rienner & Adamantine.

71 Hyden 1988; Beckman 1988b, *op.cit.*

for it, and that some reasonably efficient authoritarian management is the best bet for the meantime⁷². The vision is more disturbing when such promotion of an "enabling environment" goes hand in hand, as suggested above, with the suppression of organizations of "civil society" that can make claim to give voice to public grievances and that seek to defend some measure of autonomy *vis-a-vis* the state, such as trade unions and professional associations. Are today's democrats to be suppressed in the interest of those of tomorrow?

Where do democrats come from? What will make states more democratic, accountable, and respectful of law and human rights? In concluding this essay, I will argue that it is resistance to SAP, not SAP itself, that breeds democratic forces. SAP can be credited with having contributed to this development, not because of its liberalism but because of its authoritarianism⁷³. The democratic forces grow from the confrontation between the state and organized social groups in society. The impetus comes from groups that feel threatened by the state and seek to resist repression. Organized groups, such as trade unions and professional associations play a particular important role.

The policies of SAP reinforce authoritarian and repressive tendencies in the state's mode of dealing with organized interests in society. In resisting SAP, interest groups seek to secure greater autonomy from the state. The confrontation enhances their stake in a pluralist political order. While in pursuit of the material interests of their members, interest groups enter into alliances in defence of autonomy and rights of organization. Demands for democratic reforms at the level of the state, including the reform of legal institutions and procedures, become tied to the defence of such organizational rights. They serve as a bridge between the material grievances of members and the question of the democratic constitution of the state. Interest group contestation of the legal and political regulation of their mode of operation is central to the process of democratization.

The emergence of democratic forces in opposition to SAP can be placed in a wider context of economic crisis and political reform. Recent developments, not only in Africa but even more prominently in Latin America and Eastern Europe, suggest that authoritarian regimes of both capitalist and socialist orientation are undermined politically by their

72 Sandbrook 1985, *op.cit.*;
Himmelstrand, U. 1989, 1989, Mamdani versus Hyden - Analysis of a Debate. Working Paper for the Project "In Search of New Paradigm for the Study of African Development". Nairobi;

Beckman 1988a, *op.cit.*; 1989, "Whose democracy? Bourgeois versus popular democracy in Africa". *Review of African Political Economy* 45/46.

73 Beckman 1990, *op.cit.*

incapacity to protect citizens against material decline. The political crisis is exacerbated by popular resistance to economic reforms, e.g. the removal of subsidies, retrenchments, cuts in public services etc., reforms that all tend to bring additional suffering.

Faced with resistance, regimes vacillate between economic concessions and political repression. The scope for either is constrained and the net effect may be long periods of political stalemate, as for instance in Poland, Ghana, Argentina and Zambia. The stalemate blocs economic reform and accelerates economic and political disintegration. As a result, regimes may be obliged to consider a trade-off between economic and political reform. Limited political concessions are offered in exchange for the acceptance of unpopular economic measures. The political capacity of the regimes, however, has further eroded as a result of the stalemate. Their bargaining position is weak. Factional divisions within the ruling power group, prompted by disagreements over the direction of the reforms, heighten the pressure for more far-reaching political concessions. The divisions undermine the repressive capacity of regimes and strengthen the autonomy of non-regime political forces. Repressive solutions become more costly and impracticable.

The dynamics of democratization in this scenario lies in the declining political capacity of authoritarian regimes in the face of growing resistance to its policies. The current move towards multi-party rule in Africa may illustrate this cycle of decline, repression, and concessions in the context of economic crisis and reform. Rather than being encouraged by the "successes" of SAP this process has been hastened by its failure to deliver material improvements to constituencies significant to the reproduction of existing authoritarian regimes.

This may, for instance, explain why the repressive arrangements that so far have sustained SAP in Ghana has come under increasing pressure. The populist institutions under which SAP was imposed are cracking as evidenced by the current democracy debate which is breaking out from the tight reins imposed by the regime. The rise of the Zambian democracy movement, spearheaded by trade unions and defiant of SAP, may point in a similar direction⁷⁴. In Mozambique, the political openings in pluralist direction of early 1990 were preceded by a strike wave, precipitated by workers' grievances against SAP⁷⁵.

74 Akwetey 1990, *op.cit.*

75 Hermele, K., 1990, Stick or carrot? Political alliances and conditionality in Mozambique. Paper to CMI/SIAS/UNRISD Joint Symposium on Social and Political Context of Structural Adjustment. Bergen, October.

Towards a Social Contract?

The argument may be extended to the process of state formation. Where does "good governance", rule of law and accountability come from? The World Bank advises leaders to set good examples. They should disabuse themselves of corrupt habits. From its managerial perspective, rule of law and accountability are primarily about enforceable contracts, predictability, and cutting the costs of corruption. The "empowerment" of the business communities and their organizations may be helpful in this respect. What about the wider relation between ordinary people and the state? Who, for instance, is accountable for SAP? Different aspects of the state and the legal system have different constituencies. The protection of contracts and the protection of trade union rights are demanded by different social forces. The pressures for accountability and the rule of law need to be situated in the context of conflicting interests and antagonistic social processes.

Resistance to bad laws and corrupt and arbitrary officials is a motor for the disciplining of the state. As in the case of democratization, the state is moulded by interacting processes of resistance, repression, and concessions. The outcome of may be a "social contract", recognizing the limits imposed by the balance of social forces on the scope for either repression or resistance. Can a social contract be worked out between the state and the organized interests opposed to SAP? Attempts by governments to override, sidetrack, or ignore interest group opposition are self-defeating. The failure of the state to recognize the limits of its own power is a major reason for the stalemate that characterizes so much crisis management in Africa (and elsewhere!). Foreign intervention tends to reinforce the impasse by propping up and shielding regimes from local political pressures. While succeeding temporarily in shifting the balance of forces in favour of ruling coalitions, such interventions simultaneously undermine the process of accommodation that may be required for more lasting solutions.

The World Bank report is part of this intervention, obstructing a social contract. Its own contribution is the effort to de-recognize, de-legitimate the forces opposing SAP. It is as unhelpful to the process of state formation as to that of democratization.

Does the World Bank underestimate the resistance to SAP? Would SAP be alright if the World Bank showed greater understanding and recognition of the forces opposing SAP? Would a social contract be possible if regimes were encouraged to talk to them rather than repress them? It is more reasonable to assume that the World Bank knows what it is doing and that it is as well informed as any of us. It does not "fail" to understand or recognize the opposition to SAP. It is engaged in a deliberate effort to suppress it, precisely because that opposition threatens its own project: the opening up of Africa to the forces of world capitalism. It is a long-standing project. It does not begin with SAP. The World Bank has been in Africa since the

early stages of the decolonization process with such a mandate. The current economic crisis has merely created an exceptionally favourable political conjuncture for destroying some of the obstacles that stand in the way.

Any effort to establish a genuine, non-repressive social contract for economic and political reforms in Africa must start from a recognition that resistance to SAP is able to draw on the broad popular aspirations for economic, social, and political emancipation embodied in the nationalist movement. The efforts by the World Bank to reduce opposition to a defence of narrow vested interests and irrelevant foreign ideologies are counterproductive. The Bank may operate on the seemingly comfortable assumption that the post-colonial state project has effectively discredited itself and therefore cannot provide a platform for a viable alternative to SAP. It fails to distinguish between the performance of post-colonial regimes and aspirations of the national movement. The failure of the post-colonial state does not make those aspirations less potent. On the contrary, the frustration experienced in the face of failure is for many a basis for a rediscovery and reassertion of betrayed objectives.

The nationalist, developmental and welfarist visions of the independence movement continues to be a major ideological force in Africa. The reconstruction of a national project on the basis of that ideological tradition is the principal challenge to SAP. Due to the experience of repression and resistance, there is a chance that such a reconstituted national project may be a good deal more democratic in its orientation than either the original post-colonial project, or that of SAP.